

## Message Text

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ACTION LAB-06

INFO OCT-01 EUR-25 EA-11 IO-14 ISO-00 CIAE-00 COME-00

EB-11 INR-10 NSAE-00 RSC-01 SIL-01 DRC-01 /081 W

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R 190730Z MAR 74

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 1620

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION OECD PARIS UNN

USMISSION GENEVA

AMCONSUL MELBOURNE

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E.O. 11652: N/A

TAGS: OCON, OECD, SW

SUBJECT: SEMINAR ON INDUSTRIAL RELATIONS AND MULTINATIONAL  
CORPORATIONS (MNCS), NOVEMBER 1974, EAST LANSING, MICHIGAN

REF: STATE 47322

1. SWEDEN IS A COUNTRY WHERE TRADE UNION INTEREST  
IN THE ACTIVITY OF SWEDISH MULTINATIONAL CORPORATIONS  
IN OTHER COUNTRIES HAS ELICITED AT LEAST AS MUCH  
INTEREST AS HAVE THE ACTIVITIES OF FOREIGN MULTINATIONALS  
IN SWEDEN. SWEDEN HAS A LENGTHY HISTORY AS BOTH HOST  
COUNTRY OF FOREIGN COMPANIES AND HOME BASE FOR SWEDISH  
MNCS.

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2. OF SUGGESTED SWEDISH PARTICIPANTS, EMBASSY HESITATES ASSIGNING PRIORITY, SINCE BALANCE IN PARTICIPATION AMONG MAJOR CATEGORIES WOULD APPEAR TO BE MORE CRUCIAL FACTOR IN CHOICE OF PARTICIPANT THAN IN DECIDING WHICH SWEDE. FOLLOWING COMMENTS MAY, HOWEVER, BE USEFUL.

3. KARL-OLAF FAXEN, RESEARCH DIRECTOR OF SWEDISH EMPLOYERS CONFEDERATION (SAF). ARTICULATE, KNOWLEDGABLE, HIGHLY RESPECTED ECONOMIST. EXCELLENT ENGLISH. AS RESEARCH DIRECTOR OF SAF, FAXEN IS WELL INFORMED OF PROBLEMS, POLICIES AND STRATEGIES OF BOTH SWKSH COMPANIES INVESTING ABROAD AND FOREIGN COMPANIES INVESTING IN SWEDEN. HIGHLY ORGANIZED CHARACTER OF SWEDISH BUSINESS AND TRADE UNION COMMUNITIES AND ESSENTIALLY FREE CAPITAL IMPORT AND EXPORT MARKETS PROVIDE EXCEPTIONAL OPPORTUNITY FOR FIRST-HAND KNOWLEDGE OF PROBLEMS AND ACTIONS OF HOST AND HOME COUNTRIES AND SWEDISH AND NON-SWEDISH COMPANIES AND UNIONS. IN SEMINARS FAXEN IS NON-POLEMICAL AND PROJECTS MORE THE SEEKER AFTER FACTS IMAGE, ALBEIT AND EXCEPTIONALLY WELL INFORMED SEEKER, THAN THE IMAGE OF THE EXPERT WHO HAS FOUND THE ANSWERS.

4. J.K. NORSTEDT (SKF-SWEDEN). NORSTEDT IS NOT PERSONALLY KNOWN TO THE EMBASSY. HOWEVER, THE EMBASSY WOULD NOTE THAT SKF IS THE MOST MULTINATIONAL OF ALL SWEDISH COMPANIES, HAVING PLANTS WORLDWIDE TO THE EXTENT THAT PRODUCTION AND EMPLOYMENT IN SWEDEN REPRESENT BUT A VERY MINOR PART OF SKF TOTALS. SKF HAS A LONG HISTORY OF INVESTMENT AND EMPLOYMENT IN THE UNITED STATES WITH MANY OF ITS FACILITIES THERE HAVING BEEN SUFFICIENTLY ASSIMILATED TO BE CONSIDERED BY THE LOCAL POPULATIONS AS BELONGING TO A "HOME-GROWN" CORPORATION. SKF IS ALSO ACTIVE IN INVESTING IN DEVELOPING AREAS, OFTEN ALLEGEDLY THROUGH THE OBTAINING OF EXTENSIVE GOVERNMENTAL INCENTIVES. THE RECENT ERECTION OF A HIGHLY-AUTOMATED SKF PLANT AT BARI, ITALY WAS REPORTEDLY DICTATED BY LIBERAL INCENTIVES MADE AVAILABLE BY THE ITALIAN GOVERNMENT AND HAS RESULTED IN SOME CRITICISM IN SWEDEN OF SKF INVESTMENT CHOICES.

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5. JAN OLSSON, INTERNATIONAL SECRETARY, SWEDISH LO METALWORKERS UNION. OLSSON IS THE PRINCIPAL INTERNATIONAL ADVISOR TO SWEDISH METALWORKERS PRESIDENT BERT LUNDIN, WHO IS ALSO PRESIDENT OF THE NORDIC METALWORKERS FEDERATION AND ACTIVE IN THE IMF. OLSSON, WHO SPEAKS EXCELLENT ENGLISH, HAS BEEN INCREASINGLY ACTIVE IN EUROPEAN METALWORKERS DISCUSSIONS IN BRUSEQ KD THE

IMF IN GENEVA. HE IS A STRONG PROPONENT OF GREATER CONTROL OF MNCS THROUGH TRADE UNION COOPERTION. OLSSON IS YOUNGER THAN FAXEN AND OFTEN MAKES A MORE CERTAIN AND FORCEFUL PRESENTATION. AS SUCH, HE IS AN ARTICULATE ATTACKER OF WHAT THE UNIONS CONSIDER TO BE THE EXCESSES OF MNCS AND DEFENDER OF TRADE UNION ATTEMPTS TO BRING MNCS UNDER GREATER TRADE UNION AND NATIONAL CONTROL.

6. OTHER POTENTIAL SWEDISH PARTICIPANTS MIGHT WELL INCLUDE PEHR BYLLENHAMMAR, YOUTHFUL PRESIDENT OF VOLVO. VOLVO IS PRESENTLY ENGAGED IN AN EXPANSION PROGRAM, INCLUDING AN AUTOMOBILE ASSEMBLY PLANT IN VIRGINIA SCHEDULED TO OPEN IN 1976. IN ADDITION VOLVO ALREADY HAS ASSEMBLY PLANTS IN AUSTRALIA, CANADA, AND BELGIUM, AND MAY DECIDE TO INVEST IN A TRUCK ASSEMBLY PLANT IN POLAND, THEREBY MANUFACTURING IN BOTH EAST AND WEST. GYLLENHAMMAR IS A HARD-HITTING BUT CHARMING EXECUTIVE WHO DOES NOT HESSITATE TO EMPHASIZE IN EXCELLENT ENGLISH THE PROFIT MOTIVE IN DISCUSSING WORK PLACE INNOVATIONS AND FOREIGN AND DOMESTIC INVESTMENTS. HE IS PROBABLY THE BEST KNOWN OF THE YOUNG GENERATION OF SWEDISH EXECUTIVES.

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